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SUFFOLK COUNTY CLERK
RECORDS OFFICE

RECORDING PAGE

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Type of Instrument: MORTGAGE/MMM
Number of Pages: 4
MORTGAGE NUMBER: CT137315

Recorded: 03/11/2003
At: 12:08:56 PM
LIBER: M00020329
PAGE: 377

District:	Section:	Block:	Lot:
0100	136.00	03.00	040.000

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EXEMPTION CLAIMED AS FOLLOWS

Mortgage Amount: $270,000.00

Received the Following Fees For Above Instrument

		Exempt			Exempt
Page/Filing	$27.00	NO	Handling	$5.00	NO
COE	$5.00	NO	NYS SURCHG	$15.00	NO
Affidavit	$0.00	NO	Cert.Copies	$0.00	NO
RPT	$30.00	NO	SCTM	$0.00	NO
Mort.Basic	$135.00	NO	Mort.Addl	$42.50	NO
Mort.SplAddl	$0.00	NO	Mort.SplAsst	$67.50	NO
			Fees Paid	$327.00	

MORTGAGE NUMBER: CT137315

THIS PAGE IS A PART OF THE INSTRUMENT

Edward P.Romaine
County Clerk, Suffolk County

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1	2	3
Number of pages		RECORDED 2003 Mar 11 12:08:56 PM Edward P.Romaine CLERK OF SUFFOLK COUNTY L M00020329 P 377 CT137315
TORRENS		
Serial #		
Certificate #		
Prior Ctf. #		
Deed / Mortgage Instrument	Deed / Mortgage Tax Stamp	Recording / Filing Stamps

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4 FEES

Page / Filing Fee	20 -	Mortgage Amt.	27,000 -
Handling	5 -	1. Basic Tax	135 -
TP-584		2. Additional Tax	42 50
Notation		Sub Total	177 50
EA-52 17 (County)	Sub Total 32.	Spec./Assit. Or Spec. /Add.	67 50
EA-5217 (State)		TOT. MTG. TAX	245 -
R.P.T.S.A.	3 -	Dual Town ____ Dual County ____	
Comm. of Ed.	5 00	Held for Apportionment ____	
Affidavit		Transfer Tax	
Certified Copy		Mansion Tax	
Reg. Copy		The property covered by this mortgage is or will be improved by a one or two family dwelling only. YES ✓ or NO ____	
Other	15 -	If NO, see appropriate tax clause on page # ____ of this instrument.	
	Sub Total 50 -		
	GRAND TOTAL 82 -		

5 Real Property Tax Service Agency Verification

	Dist.	Section	Block	Lot
Stamp	0100	136.00	03.00	040.000
Date 2-28-				
Initials				

6 Community Preservation Fund

Consideration Amount $ ____

CPF Tax Due $ ____

Improved ____

Vacant Land ____

TD ____

TD ____

TD ____

7 Satisfactions/Discharges/Releases List Property Owners Mailing Address
RECORD & RETURN TO:

ACS Title
410 New York Avenue
Huntington, NY 11743

8 Title Company Information

Co. Name ACS Title Agency Fac

Title # 03ASRB1195

9 Suffolk County Recording & Endorsement Page

This page forms part of the attached MORTGAGE made by:
(SPECIFY TYPE OF INSTRUMENT)

Robert W Gerdis
Lynn A Gerdis

TO

CITIBANK, N.A.

The premises herein is situated in
SUFFOLK COUNTY, NEW YORK.

In the Township of Babylon

In the VILLAGE
or HAMLET of West Babylon

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If the document you've just recorded is your **SATISFACTION OF MORTGAGE**, please be aware of the following:

If a portion of your monthly mortgage payment included your property taxes, *you will now need to contact your local Town Tax Receiver so that you may be billed directly for all future property tax statements.

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Local property taxes are payable twice a year: on or before January 10th and on or before May 31st. Failure to make payments in a timely fashion could result in a penalty.

Please contact your local Town Tax Receiver with any questions regarding property tax payment.

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Babylon Town Receiver of Taxes
200 East Sunrise Highway
North Lindenhurst, N.Y. 11757
(631) 957-3004

Brookhaven Town Receiver of Taxes
250 East Main Street
Port Jefferson, N.Y. 11777
(631) 473-0236

East Hampton Town Receiver of Taxes
300 Pantigo Place
East Hampton, N.Y. 11937
(631) 324-2770

Huntington Town Receiver of Taxes
100 Main Street
Huntington, N.Y. 11743
(631) 351-3217

Islip Town Receiver of Taxes
40 Nassau Avenue
Islip, N.Y. 11751
(631) 224-5580

Riverhead Town Receiver of Taxes
200 Howell Avenue
Riverhead, N.Y. 11901
(631) 727-3200

Shelter Island Town Receiver of Taxes
Shelter Island Town Hall
Shelter Island, N.Y. 11964
(631) 749-3338

Smithtown Town Receiver of Taxes
99 West Main Street
Smithtown, N.Y. 11787
(631) 360-7610

Southampton Town Receiver of Taxes
116 Hampton Road
Southampton, N.Y. 11968
(631) 283-6514

Southold Town Receiver of Taxes
53095 Main Street
Southold, N.Y. 11971
(631) 765-1803

Sincerely,

Edward P. Romaine

Edward P. Romaine
Suffolk County Clerk

dw
2/99

12-0104:: 09/01cg

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MORTGAGE

citibank®

[ ] FIXED (E-Day Rate) [X] FIXED (Second)

MORTGAGE

Account #: 48222606

Words Used Often In This Document

(A) "Mortgage." This document, which is dated 02/05/03, will be called the "Mortgage."

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(B) "Mortgagor." ROBERT W. GERDIS and LYNN A. GERDIS will sometimes be called "Mortgagor" and sometimes simply "I" or "me."

(C) "Borrower." ROBERT W GERDIS will be called "Borrower." Whose address is 144 17TH ST, WEST BABYLON, NY 11704.

(D) "Lender." Citibank, N.A. will be called "Lender." Lender is a corporation or association which was formed and which exists under the laws of the United States of America. Lender's address is CITIBANK, N.A., 399 PARK AVENUE, NEW YORK, NY 10043.

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(E) "Note." The note signed by Mortgagor and dated 02/05/03 will be called the "Note." The Note shows that I owe Lender $27,000.00 plus interest, which I have promised to pay in monthly payments of principal and interest and to pay in full by 2/10/2023.

(F) "Property." The property that is described below in the section titled "Description Of The Property," will be called the "Property."

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Mortgagor's Transfer To Lender Of Rights In The Property

I mortgage, grant and convey the Property to Lender subject to the terms of this Mortgage. This means that by signing this Mortgage, I am giving Lender those rights that are stated in this Mortgage and also those rights that the law gives to lenders who hold mortgages on real property. I am giving Lender these rights to protect Lender from possible losses that might result if I fail to:

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(A) Pay all the amounts that I owe Lender as stated in the Note;

(B) Pay, with interest, any amounts that Lender spends under this Mortgage, to protect the value of the Property and Lender's rights in the Property;

(C) Keep all of my other promises and agreements under this Mortgage.

Description Of Property

I give Lender rights in the Property described in (A) through (I) below:

(A) The property which is located at 144 17TH ST, WEST BABYLON, NY 11704. This property is in SUFFOLK County in the State of New York. It has the following legal description:

SEE ATTACHED RIDER

If this property is a condominium, the following must be completed: This property is part of a condominium project known as N/A (called the "Condominium Project"). This property includes my unit and all of my rights in the common elements of the Condominium Project.

If this property is in a planned unit development, the following must be completed: This property is in a development which is a planned unit development known as N/A (called the "PUD"). The PUD was created by N/A;

(B) All buildings and other improvements that are located on the property described in Paragraph (A) of this Section;

(C) All rights in other property that I have as owner of the property described in Paragraph (A) of this Section. These rights are known as "easements, rights and appurtenances attached to the property."

(D) All rent or royalties from the property described in Paragraph (A) of this Section;

(E) All mineral, oil and gas rights and profits, water, water rights and water stock that are part of the property described in Paragraph (A) of this Section;

(F) All rights that I have in the land which lies in the streets or roads in front of, or next to the property described in Paragraph (A) of this Section;

(G) All fixtures that are now or in the future will be on the property described in Paragraphs (A) and (B) of this Section, and all the replacements of and additions to those fixtures, except for those fixtures, replacements or additions that under the law are "consumer goods" and that I acquire more than ten days after the date of the Note. Usually, fixtures are items that are physically attached to buildings such as hot water heaters;

(H) All of the rights and property described in Paragraphs (B) through (F) of this section that I acquire in the future; and

(I) All replacements of or additions to the property described in Paragraphs (B) through (F) and Paragraph (H) of this Section.

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Mortgagor's Right To Mortgage The Property And Mortgagor's Obligation To Defend Ownership Of The Property	I promise that except for the "Exceptions" listed in any title insurance policy which insures Lender's rights in the Property: (A) I lawfully own the Property; (B) I have the right to mortgage, grant and convey the Property to Lender; and (C) there are no outstanding claims or charges against the Property. I give a general warranty of title to Lender. This means that I will be fully responsible for any losses which Lender suffers because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend my ownership of the Property against any claims of such rights.

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UNIFORM PROMISES: I promise and I agree with Lender as follows:

1.	**Mortgagor's Promises To Pay Principal And Interest Under The Note And To Fulfill Other Obligations**	I will promptly pay to Lender when due: principal and interest under the Note and late charges and prepayment charges as stated in the Note.

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2.	**Lender's Application Of Mortgagor's Payments**	Unless the law requires otherwise, Lender will apply each of my payments under the Note and under Paragraph 1 above in the following order and for the following purposes: (A) First, to pay interest then due under the Note; and (B) Next to pay principal then due under the Note.

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3.	**Mortgagor's Obligation To Pay Charges And To Satisfy Claims Against The Property**	I will pay all taxes, assessments, and any other charges and fines that may be imposed on the Property and that may be superior to this Mortgage. I will also make payments due under my lease if I am a tenant on the Property and I will pay ground rents (if any) due on the Property. Any claim, demand or charge that is made against the property because an obligation has not been fulfilled in known as a "lien." I will promptly pay or satisfy all liens against the Property that may be superior to this Mortgage. However, this Mortgage does not require me to satisfy a superior lien if: (A) I agree, in writing, to pay the obligation which gave rise to the superior lien and Lender approves the way in which I agree to pay that obligation or (B) I, in good faith, argue or defend against the superior lien in a lawsuit so that during the lawsuit, the superior lien may not be enforced and no part of the Property must be given up. **Condominium and PUD Assessments** If the Property includes a unit in a Condominium Project or in a PUD, I will promptly pay, when they are due, all assessments imposed by the owners association or other organization that governs the Condominium Project or PUD. That association or organization will be called the "Owners Association."
4.	**Mortgagor's Obligation To Obtain And To Keep Hazard Insurance On The Property**	**(A) Generally** I will obtain hazard insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies, and other hazards for which Lender requires coverage. The insurance must be in the amounts and for the periods of time required by Lender. It is possible that the insurance policy will have provisions that may limit the insurance company's obligation to pay claims if the amount of coverage is too low. Those provisions are known as "co-insurance requirements." Lender may not require me to obtain an amount of coverage that is more than the larger of the following two amounts: either (i) the amount that I owe to Lender under the Note and under this Mortgage; or (ii) the amount necessary to satisfy the co-insurance requirements. I may choose the insurance company, but my choice is subject to Lender's approval. Lender may not refuse to approve my choice unless the refusal is reasonable. All insurance policies and renewals of those policies must include what is known as a "standard mortgagee clause" to protect Lender. The form of all policies and the form of all renewals must be acceptable to Lender. Lender will have the right to hold the policies and renewals. I will pay the premiums on the insurance policies by paying the insurance company directly when the premium payments are due. If Lender requires, I will promptly give Lender all receipts of paid premiums and all renewal notices that I receive. If there is a loss or damage to the Property, I will promptly notify the insurance company and Lender. If I do not promptly prove to the insurance company that the loss or damage occurred, the Lender may do so. The amount paid by the insurance company is called "proceeds." The proceeds will be used to repair or to restore the damaged Property unless: (a) it is not economically possible to make the repairs or restoration; or (b) the use of the proceeds for that purpose would lessen the protection given to Lender by this Mortgage; or (c) Lender and I have agreed in writing not to use the proceeds for that purpose. If the repair or restoration is not economically possible or if it would lessen Lenders protection under this Mortgage, then the proceeds will be used to reduce the amount that I owe to Lender under the Note and under this Mortgage. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me. The use of proceeds to reduce the amount that I owe to Lender will not be a prepayment that is subject to the prepayment charge provision, if any, under the Note.

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4. **Mortgagor's Obligation To Obtain And To Keep Hazard Insurance On The Property (continued)**

If I abandon the Property, or if I do not answer, within 30 days, a notice from Lender stating that the insurance company has offered to settle a claim for insurance benefits, then Lender has the authority to collect the proceeds. Lender may then use the proceeds to repair or restore the Property or to reduce the amount that I owe to Lender under the Note and under this Mortgage. The 30-day period will begin on the date the notice is mailed or, if it is not mailed, on the date the notice is delivered.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due dates or change the amount of any of my monthly payments under the Note and under Paragraph 1 above. However, Lender and I may agree in writing to those delays or changes.

If Lender acquires the Property under Paragraph 19 below, all of my rights in the insurance policies will belong to Lender. Also, all of my rights in any proceeds which are paid because of damage that occurred before the Property is acquired by Lender or sold will belong to Lender. However, Lender's rights in those proceeds will not be greater than the amount that I owe to Lender under the Note and under this Mortgage immediately before the Property is acquired by Lender or sold.

(A) Agreements that Apply to Condominiums and PUDs

(i) If the Property includes a unit in a Condominium Project, the Owners Association may maintain a hazard insurance policy which covers the entire Condominium Project. That policy will be called the "master policy." So long as the master policy remains in effect and meets the requirements stated in this Paragraph 4: (a) my obligation to obtain and to keep hazard insurance on the Property is satisfied; and (b) if there is a conflict concerning the use of proceeds, between (1) the terms of this Paragraph 4, and (2) the law or the terms of the declaration, by-laws, regulations or other documents creating or governing the Condominium Project that law or terms of those documents will govern the use of proceeds. I will promptly give Lender notice if the master policy is interrupted or terminated. During any time that the master policy is not in effect the terms of (a) and (b) of this subparagraph (B) (i) will not apply. (ii) If the Property includes a unit in a Condominium Project, it is possible that proceeds will be paid to me instead of being used to repair or to restore the Property. I give Lender my rights to those proceeds. If the Property includes a unit in a PUD, it is possible that proceeds will be paid to me instead of being used to repair or to restore the common areas or facilities of the PUD. I give Lender my rights to those proceeds. All of the proceeds described in this subparagraph (4) (B) (ii) will be paid to Lender and will be used to reduce the amount that I owe to Lender under the Note and under this Mortgage. If any of those proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me. The use of proceeds to reduce the amount that I owe to Lender will not be a prepayment that is subject to the prepayment charge provisions, if any, under the Note.

5. **Mortgagor's Obligation To Maintain The Property And To Fulfill Obligations In Lease And Agreements About Condominiums and PUDs**

(A) Agreements About Maintaining the Property and Keeping Promises in Lease

I will keep the Property in good repair. I will not destroy, damage or substantially change the Property, and I will not allow the Property to deteriorate. If I do not own but am a tenant on the Property, I will fulfill my obligations under my lease.

(B) Agreements that Apply to Condominium and PUDs

If the Property is a unit in a Condominium Project or in a PUD, I will fulfill of my obligations under the declaration, by-laws, regulations and other documents that create or govern the Condominium Project or PUD. Also, I will not divide the Property into smaller parts that may be owned separately (known as "partition or subdivision"). I will not consent to certain actions unless I have first given Lender notice and obtained Lender's consent in writing. Those actions are;

(i) The abandonment or termination of the Condominium Project or PUD, unless, in the case of a condominium, the abandonment or termination is required by law;

(ii) Any significant change in the declaration, by-laws or regulations of the Owner's Association, trust agreement, articles of incorporation, or other documents that create or govern the Condominium Project or PUD, including, for example, a change in the percentage of ownership of rights, held by unit owners, in the Condominium Project or in the common areas or facilities of the PUD;

(iii) A decision by the Owners Association to terminate professional management and to begin self-management of the Condominium Project or PUD; and

(iv) The transfer, release, creation of liens, partition or subdivision of all or part of the common areas and facilities of the PUD. (However, this provision does not apply to the transfer by the Owners Association of rights to use those common areas and facilities for utilities and other similar or related purposes).

6. **Lender's Right To Take Action To Protect The Property**

If (A) I do not keep my promises and agreements made in this Mortgage, or (B) someone, including me, begins a legal proceeding that may significantly affect Lenders rights in the Property (such as, for example, a legal proceeding in bankruptcy in probate, for condemnation, or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lenders actions under this Paragraph 6 may include, for example, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Lender must give me notice before Lender may take any of these actions.

I will pay to Lender any amounts, with interest, which Lender spends under this Paragraph 6. This Mortgage will protect Lender in case I do not keep this promise to pay those amounts with interest.

I will pay those amounts to Lender when Lender sends me a notice requesting that I do so. I will also pay interest on those amounts at the same rate stated in the Note. However, if payment of interest at that rate would violate the law, I will pay interest on the amounts spent by Lender under this Paragraph 6 at the highest rate that the law allows. Interest on each amount will begin on the date that the amount is spent by Lender. However, Lender and I may agree in writing to terms of payments that are different from those in this Paragraph.

Although Lender may take action under this Paragraph 6, Lender does not have to do so.

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7. **Lender's Right To Inspect The Property**

Lender, and others authorized by Lender, may enter on and inspect the Property. They must do so in a reasonable manner and at reasonable times. Before one of these inspections is made, Lender must give me notice stating a reasonable purpose for the inspection. That purpose must be related to Lender's right in the Property.

8. **Agreements About Condemnation Of The Property**

A taking of property by any governmental authority by eminent domain is known as "condemnation." I give Lender my rights (A) to proceeds of all awards or claims for damages resulting from condemnation or other governmental taking of the Property, and (B) to process from a sale of the Property that is made to avoid condemnation. All of those proceeds will be paid to Lender.

If all of the Property is taken, the proceeds will be used to reduce the amount that I owe to Lender under the Note and under this Mortgage. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me. Unless Lender and I agree otherwise in writing, if only a part of the Property is taken, the amount that I owe to Lender will only be reduced by the amount of proceeds multiplied by the following amount: (i) the total amount that I owe to Lender under the Note and under this Mortgage immediately before the taking, divided by (ii) the fair market value of the Property immediately before the taking. The remainder of the proceeds will be paid to me. The use of the proceeds to reduce the amount that I owe to Lender will not be a prepayment that is subject to the prepayment charge provisions, if any, under the Note.

If I abandon the Property, or if I do not answer, within 30 days, a notice from Lender stating that a governmental authority has offered to make a payment or to settle a claim for damages then Lender has the authority to collect the proceeds. Lender may then use the proceeds to repair or restore the Property or to reduce the amount that I owe to Lender under the Note and under this Mortgage. The 30-day period will begin on the date the notice is mailed or, if it is not mailed, on the date the notice is delivered.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraph 1 above. However, Lender and I may agree in writing to those delays or changes.

Condemnation of Common Areas of PUD
If the Property includes a unit in a PUD, the promises and agreements in this Paragraph 8 will apply to a condemnation, or sale to avoid condemnation, of the PUD's common areas and facilities as well as of the Property.

9. **Continuation Of Mortgagor's Obligations**

Lender may allow a person who takes over my rights and obligations to delay or to change the amount of the monthly payments of principal and interest due under the Note or under this Mortgage. Even if Lender does this, however, that person and I will both still be fully obligated under the Note and under this Mortgage unless the conditions stated in Paragraph 18 below have been met.

Lender may allow those delays or changes for a person who takes over my rights and obligations, even if Lender is requested not to do so. Lender will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Mortgage, even if Lender is requested to do so.

10. **Continuation Of Lender's Rights**

Even if Lender does not exercise or enforce any right of Lender under this Mortgage or under the law, Lender will still have all of those rights and may exercise and enforce them in the future. Even if Lender obtains insurance, pays taxes, or pays other claims, charges or liens against the Property, Lender will still have the right, under Paragraph 19 below, to demand that I make Immediate Payment in Full (see Paragraph 19 for a definition of this phrase) of the amount that I owe to Lender under the Note and under this Mortgage.

11. **Lender's Ability To Enforce More Than One Of Lender's Rights**

Each of Lender's rights under this Mortgage is separate. Lender may exercise and enforce one or more of those rights as well as any of Lender's other rights under the law, one at a time or all at once.

12. **Obligations Of Mortgagors And Of Persons Taking Over Mortgagor's Rights Or Obligations**

Subject to the terms of Paragraph 18 below, any person who takes over my rights or obligations under this Mortgage will have all of my rights and will be obligated to keep all of my promises and agreements made in this Mortgage. Similarly, any person who takes over Lender's rights or obligations under this Mortgage will have all of Lender's rights and will be obligated to keep all of Lender's agreements made in this Mortgage.

Agreements Concerning Captions

If more than one person signs this Mortgage as Mortgagor, each of us is fully obligated to keep all of Mortgagor's promises and obligations contained in this Mortgage. Lender may enforce Lender's rights under this Mortgage against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under the Note and under this Mortgage. However, if one of us does not sign the Note, then (A) that person is signing this Mortgage only to give that person's rights in the Property to Lender under the terms of this Mortgage; and (B) that person is not personally obligated to make payments or to act under the Note or under this Mortgage.

The captions and titles of this Mortgage are for convenience only. They may not be used to interpret or to define the terms of this Mortgage.

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13. **Agreements About Giving Notice Required Under This Mortgage**

Unless the law requires otherwise, any notice that must be given to me under this Mortgage will be given by delivering it or by mailing it addressed to me at the address stated in the section above titled "Description of the Property." A notice will be delivered or mailed to me at a different address if I give Lender a notice of my different address. Any notice that must be given to Lender under this Mortgage will be given by mailing it to Lender's address stated in Paragraph (D) of the section above titled "Words Used Often in This Document." A notice will be mailed to Lender at a different address if Lender gives me a notice of the different address. Any notice required by this Mortgage is given when it is mailed or when it is delivered according to the requirements of this Paragraph.

14. **Agreements About Uniform Mortgage And Law That Governs This Mortgage**

This is a "Uniform Mortgage." It contains "uniform promises" that are in mortgages used all over the country and also "non-uniform promises" that vary, to a limited extent, in different parts of the country. The law that applies in the place that the Property is located will govern this Mortgage. (The foregoing sentence shall not limit the applicability of federal law to this Mortgage). If any term of this Mortgage or the Note conflicts with the law, all other terms of this Mortgage and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law may be separated from the remaining terms, and the remaining terms will still be enforced.

15. **Mortgagor's Copy Of The Note And Of This Mortgage**

I will be given a copy of the Note and of this Mortgage. Those copies must show that the original Note and Mortgage have been signed. I will be given those copies either when I sign the Note and this Mortgage or after this Mortgage has been recorded in the proper official records.

16. **Agreements That Apply to VA Loans**

A loan that is guaranteed or insured by the United States Veterans Administration is known as a "VA Loan." If the loan that I promise to pay in the Note is a VA loan, then my rights and obligations, as well as those of Lender, are governed by that law which is known as Title 38 of the United States Code and the Regulations made under that Title (called the "VA Requirements"). One or more terms of this Mortgage or of other documents that are signed in connection with my VA loan, might conflict with the VA Requirements. For example, the prepayment terms in the Note or Paragraph 18 of this Mortgage might conflict with the VA Requirements. Lender and I agree that if there is a conflict, the conflicting terms of this Mortgage or other documents are modified or eliminated as is necessary to make all of the conflicting terms agree with the VA Requirements.

17. **Mortgagor's Obligation To Pay Mortgage Insurance Premiums**

If Lender required mortgage insurance as a condition of making the loan that I promise to pay under the Note, I will pay the premiums for that mortgage insurance. I will pay the premiums until the requirement for mortgage insurance ends according to written agreement with Lender or according to law.

NON-UNIFORM PROMISES: I also promise and agree with Lender as follows:

18. **Agreements About Assumption Of This Mortgage And About Lender's Rights If Mortgagor Transfers The Property Without Meeting Certain Conditions**

If I sell or transfer all or part of the Property or any rights in the Property, any person to whom I sell or transfer the Property may take over all of my rights and obligations under this Mortgage (known as an "assumption of the Mortgage") if certain conditions are met. Those conditions are: (A) I give Lender notice of the sale or transfer; (B) Lender agrees that the person's credit is satisfactory; (C) the person agrees to pay interest on the amount owed to Lender under the Note and under this Mortgage at whatever rate Lender requires, and (D) the person signs an assumption agreement that is acceptable to Lender and that obligates the person to keep all of the promises and agreements made in the Note and in this Mortgage. If I sell or transfer the Property and each of the conditions in (A), (B), (C) and (D) of this Paragraph 18 is satisfied, Lender will release me from all of my obligations under the Note and under this Mortgage.

If I sell or transfer the Property and the conditions in (A), (B), (C) and (D) of this Paragraph 18 are not satisfied, I will still be fully obligated under the Note and under this Mortgage and Lender may require Immediate Payment in Full, as that phrase is defined in Paragraph 19 below. However, Lender will not have the right to require Immediate Payment in Full as a result of certain transfers. Those transfers are: (i) the creation of liens or other claims against the Property that are inferior to this Mortgage, (ii) a transfer of rights in household appliances to a person who provides me with the money to buy those appliances, in order to protect that person against possible losses, (iii) a transfer of the Property to surviving co-owners, following the death of a co-owner, when the transfer is automatic according to law, (iv) leasing the Property for a term of three years or less, as long as the lease does not include an option to buy.

If Lender requires Immediate Payment in Full under this Paragraph 18, Lender will send me, in the manner described in Paragraph 13 above, a notice which states this requirement. The notice will give me at least 30 days to make the required payment. The 30-day period will begin on the date the notice is mailed or, if it is not mailed, on the date the notice is delivered. If I do not make the required payment during that period, Lender may bring a lawsuit for "foreclosure and sale" under Paragraph 19 below without giving me any further notice or demand for payment. (See Paragraph 19 for a definition of "foreclosure and sale").

19. **Lender's Rights If Mortgagor Fails To Keep Promises And Agreements**

If all of the conditions stated in subparagraphs (A), (B), and (C) of this Paragraph 19 are met, Lender may require that I pay immediately the entire amount then remaining unpaid under the Note and under this Mortgage. Lender may do this without making any further demand for payment. This requirement will be called "Immediate Payment in Full."

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19. **Lender's Rights If Mortgagor Fails To Keep Promises And Agreements (continued)**

If Lender requires Immediate Payment in Full, Lender may bring a lawsuit to take away all of my remaining rights in the Property and to have the Property sold. At this sale Lender or another person may acquire the Property. This is known as "foreclosure and sale." In any lawsuit for foreclosure and sale, Lender will have the right to collect all costs allowed by law.

Lender may require Immediate Payment in Full under this Paragraph 19 only if all of the following conditions are met:

(A) I fail to keep any promise or agreement in the Mortgage, including the promises to pay when due the amounts that I owe to Lender under the Note and under this Mortgage; and

(B) Lender sends to me, in the manner described in Paragraph 13 above, a notice that states:
(i) The promise or agreement that I failed to keep;
(ii) The action that I must take to correct that failure;
(iii) A date by which I must correct the failure. That date must be at least 30 days from the date on which the notice is mailed to me, or, if it is not mailed, from the date on which it is delivered to me;
(iv) That if I do not correct the failure by the date stated in the notice, I will be in default and Lender may require Immediate Payment in Full, and Lender or another person may acquire the Property by means of foreclosure and sale;
(v) That I may speak with a named representative of Lender to discuss any questions which I have about the things stated in the notice;
(vi) That if I meet the conditions stated in Paragraph 20 below, I will have the right to have any lawsuit for foreclosure and sale discontinued and to have the Note and this Mortgage remain in full effect as if Immediate Payment in Full had never been required; and
(vii) That I have the right in any lawsuit for foreclosure and sale to argue that I did keep my promises and agreements under the Note and under this Mortgage, and to present any other defenses that I may have; and

(C) I do not correct the failure stated in the notice from Lender by the date stated in that notice.

20. **Mortgagor's Right To Have Lender's Lawsuit For Foreclosure And Sale Discontinued**

Even if Lender has required Immediate Payment in Full, I may have the right to have discontinued any lawsuit brought by Lender for foreclosure and sale or for other enforcement of this Mortgage. I will have this right at any time before a judgment has been entered enforcing this Mortgage if I meet the following conditions:

(A) I pay to Lender the full amount that would have been due under this Mortgage and the Note, if Lender had not required Immediate Payment in Full; and

(B) I correct my failure to keep any of my other promises or agreements made in this Mortgage; and

(C) I pay all of Lender's reasonable expenses in enforcing this Mortgage including, for example, reasonable attorneys' fees; and

(D) I do whatever Lender reasonably requires to assure that Lender's rights in the Property, Lender's rights under this Mortgage, and my obligations under the Note and under this Mortgage continue unchanged.

If I fulfill all of the conditions in this Paragraph 20, then the Note and this Mortgage will remain in full effect as if Immediate Payment in Full had never been required.

21. **Lender's Rights To Rental Payments From The Property And To Take Possession Of The Property**

As additional protection for Lender, I give to Lender all of my rights to any rental payments from the Property. However, until Lender requires Immediate Payment in Full under Paragraph 18 to 19 above, or until I abandon the Property, I have the right to collect and keep those rental payments as they become due. I have not given any of my rights to rental payments from the Property to anyone else, and I will not do so without Lender's consent in writing.

If Lender requires Immediate Payment in Full under Paragraphs 18 to 19 above, or if I abandon the Property, the Lender, persons authorized by Lender, or a receiver appointed by a court at Lender's request may: (A) collect the rental payments, including overdue rental payments, directly from the tenants; (B) enter on and take possession of the Property; (C) manage the Property, and (D) sign, cancel and change leases. I agree that if Lender notifies the tenants that Lender has the right to collect rental payments directly from them under this Paragraph 21, the tenants may make those rental payments to Lender without having to ask whether I have failed to keep my promises and agreements under this Mortgage.

If there is a judgment for Lender in a lawsuit for foreclosure and sale, I will pay to Lender reasonable rent from the date the judgment is entered for as long as I occupy the Property. However, this does not give me the right to occupy the Property.

All rental payments collected by Lender or by a receiver, other than the rent paid by me under this Paragraph 21, will be used first to pay the costs of collecting rental payments and of managing the Property. If any part of the rental payments remains after those costs have been paid in full, the remaining part will be used to reduce the amount that I owe to Lender under the Note and under this Mortgage. The costs of managing the Property may include the receiver's fees, reasonable attorneys' fees and the costs of any necessary bonds. Lender and receiver will be obligated to account only for those rental payments that they actually receive.

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Mortgage, continued

Paragraph 22 has been intentionally deleted.

23. **Lender's Obligation To Discharge This Mortgage When The Note And This Mortgage Are Paid In Full**

When Lender has been paid all amounts due under the Note and under this Mortgage, Lender will discharge this Mortgage by delivering a certificate stating that this Mortgage has been satisfied. I will not be required to pay Lender for the discharge, but I will pay all costs of recording the discharge in the proper official records.

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24. **Agreements About New York Lien Law**

I will receive all amounts lent to me by Lender subject to the trust fund provisions of Section 13 of the New York Lien Law. This means that if, on the date this Mortgage is recorded in the property official records, construction or other work on any building or other improvement located on the Property has not been completed for a least four months, I will: (A) hold all amounts, which I receive and which I have a right to receive from Lender under the Note as a "trust fund," and (B) use those amounts to pay for that construction of work before I use them for any purpose. The fact that I am holding those amounts as a "trust fund" means that I have special responsibility under the law to use the amounts in the manner described in this Paragraph 24.

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By signing this Mortgage I agree to all of the above.

Witnesses:

Not For Legal Use

02/05/03
Mortgagor: ROBERT W. GERDIS
[ ] Married [ ] Unmarried

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02/05/03
Mortgagor: LYNN A. GERDIS
[ ] Married [ ] Unmarried

Mortgagor:
[ ] Married [ ] Unmarried

Mortgagor:
[ ] Married [ ] Unmarried

[ ] Married [ ] Unmarried

[ ] Married [ ] Unmarried

State of New York }
}ss:
County of SUFFOLK }

On the 02/05/03, before me, the undersigned, personally appeared ROBERT W. GERDIS and LYNN A. GERDIS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he(she)(they) executed the same in his (her)(their) capacity(ies), and that by his(her)(their) signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed this instrument.

Notary Public

ELIZABETH McNALLY
Notary Public, State of New York
No. 01MC6066850
Qualified in Suffolk County
Commission Expires Nov. 26, 20 05

State, District of Columbia, Territory, Possession or Foreign Country }
}ss:
}

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he(she)(they) executed the same in his (her)(their) capacity(ies), that by his(her)(their) signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed this instrument, and that such individual made such appearance before the undersigned in the _____.
(Insert the city or other political subdivision and the state or country or other place the acknowledgment was taken).

Signature and office of individual taking acknowledgment

Not For Legal Use

SCHEDULE A

Not For Legal Use

All that certain plot, piece or parcel of land, situate, lying and being in the Town of Babylon, County of Suffolk and State of New York, being known and designated as part of Lot Nos. 75 and 76 on a certain Map entitled, "Map of Legion Park, Section No. 1, situated in the Town of Babylon, Suffolk County, Long Island, surveyed by T.F. Selva, Licensed Land Surveyor, Merrick, Long Island" and filed in the Office of the Clerk of the County of Suffolk as Map No. 1640 on July 26, 1948, and being more particularly bounded and described as follows:

Not For Legal Use

BEGINNING at a point on the Southerly side of 17th Street, distant 360 feet Easterly from the corner formed by the intersection of the Southerly side of 17th Street with the Easterly side of 14th Street;

RUNNING THENCE Easterly along the Southerly side of 17th Street, 60 feet;

THENCE Southerly at right angles to the Southerly side of 17th Street, 125 feet;

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THENCE Westerly and parallel with the Southerly side of 17th Street, 60 feet;

THENCE Northerly and again at right angles to the Southerly side of 17th Street, 125 feet to the Southerly side of 17th Street, at the point or place of BEGINNING.

Not For Legal Use

District 0100 Section 133.00 Block 03.00 Lot 340.000

✓ Premises herein are improved by a one or two family residence only